

MISSOURI-KANSAS-TEXAS RAILROAD COMPANY

LAW DEPARTMENT
701 COMMERCE STREET
DALLAS, TEXAS 75202

214-651-6736

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13469
RECORDATION NO. Filed 1475

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General Attorney

January 28, 1982

2-029A019

JAN 29 1982 - 11 50 AM

INTERSTATE COMMERCE COMMISSION
IN REPLY REFER TO:

410.043-80

Mrs. Agatha L. Mergenovich
Secretary
Interstate Commerce Commission
Washington, DC 20423

No.
Date: JAN 29 1982
Fee \$ 50.00
ICC Washington, D. C.

Dear Mrs. Mergenovich:

I have enclosed the original and two (2) counterparts of the document described below, to be recorded pursuant to Section 11303 of Title 49 of the US Code.

This document is a Security Agreement (Mortgage), a primary document, dated as of January 28, 1982.

The names and addresses of the parties to the document are as follows:

The secured party is the First City Bank of Dallas,
P. O. Box 88000, Dallas, TX 75388;

The debtor is Southwestern States Management Co.,
701 Commerce Street, Dallas, TX 75202.

A description of the equipment covered by the document follows:

One (1) converted passenger car (business car)
bearing marks and number MKT 1046.

A fee of \$50.00 is enclosed. Please return the original and any extra copies not needed by the Commission for recordation to the undersigned or the bearer of this letter if hand filed.

A short summary of the document to appear in the Index follows:

Cross index under 13118

Thomas J. Lasater
C. D. [Signature]

Page Two
Mrs. Agatha L. Mergenovich

January 28, 1982

Security Agreement between First City Bank of
Dallas, P. O. Box 88000, Dallas, TX 75388,
Secured Party, and Southwestern States Manage-
ment Co., 701 Commerce Street, Dallas, TX 75202,
Debtor, dated as of January 28, 1982, and covering
one (1) converted passenger car (business car)
bearing marks and number of the Missouri-Kansas-
Texas Railroad Company 1046.

I certify that I have knowledge of the foregoing.

Yours very truly,


Arthur M. Albin

AMA/bmw

Enclosures

13469

DECLASSIFICATION NO. _____ E.O. 14176

JAN 29 1982 - 11 50 AM

JAN 29 1982 - 11 50 AM

INTERSTATE COMMERCE COMMISSION

701 COMMERCE STREET	DALLAS,	DALLAS,	TEXAS	75202
(No. and Street)	(City)	(County)	(State)	(Zip Code)

hereinafter called "Debtor" grants to First City Bank of Dallas, One Main Place, 1201 Main St., P.O. Box 50688, Dallas, Dallas County, Texas, 75250, hereinafter called "Secured Party", a security interest as follows:

Section I. Creation of Security Interest.

Debtor hereby grants to Secured Party a security interest in the Collateral described in Section II of this Security Agreement to secure performance and payment of all obligations and indebtedness of Debtor to Secured Party of whatever kind and whenever or however created or incurred.

Section II. Collateral.

The Collateral of this Security Agreement is ONE (1) RAILROAD INSPECTION CAR

of the following description:

CONVERTED PASSENGER CAR BEARING MARKS AND NUMBERS MKT 1046

now owned or hereafter acquired by Debtor, and all additions and accessions thereto, and proceeds thereof. The inclusion of proceeds in this Security Agreement does not authorize Debtor to sell, dispose of or otherwise use the Collateral in any manner not specifically authorized by this agreement.

Section III. Payment Obligations of Debtor.

(1) Debtor shall pay to Secured Party any sum or sums due or which may become due pursuant to any promissory note or notes now or hereafter executed by Debtor to evidence Debtor's indebtedness to Secured Party, in accordance with the terms of such promissory note or notes and the terms of this Security Agreement.

(2) Debtor shall pay to Secured Party on demand all expenses and expenditures, including reasonable attorneys' fees and other legal expenses incurred or paid by Secured Party in exercising or protecting its interests, rights and remedies under this Security Agreement, plus interest thereon at the rate of ten percent (10%) per annum.

(3) Debtor shall pay immediately, without notice, the entire unpaid indebtedness of Debtor to Secured Party, whether created or incurred pursuant to this Security Agreement or otherwise, upon Debtor's default under Section V of this Security Agreement.

Section IV. Debtor's Representations, Warranties and Agreements.

Debtor represents, warrants and agrees that:

(1) All information supplied and statements made by Debtor in any financial, credit or accounting statement or application for credit prior to, contemporaneously with or subsequent to the execution of this Security Agreement are and shall be true, correct, complete, valid and genuine.

(2) No Financing Statement covering the Collateral or its proceeds is on file in any public office; except for the security interest granted in this Security Agreement, there is no lien, security interest or encumbrance in or on the Collateral; and Debtor is the owner of the Collateral.

(3) Debtor's residence is the address shown at the beginning of this agreement, and Debtor will immediately notify Secured Party in writing of any change of Debtor's place of residence.

(4) If the Collateral is bought or used primarily for business use and is of a type normally used in more than one State (such as automotive equipment, rolling stock, airplanes, road building equipment, commercial harvesting equipment, construction machinery and the like), the chief place of business of Debtor is the address shown at the beginning of this agreement. Debtor will immediately notify Secured Party in writing of any change in Debtor's chief place of business. If certificates of title are issued or outstanding with respect to any of the Collateral, Debtor will cause the interest of Secured Party to be properly noted thereon.

(5) If the Collateral is to be wholly or partly affixed to real estate or other goods, a description of the real estate or other goods is as follows:

and the name of the record owner of such real estate or other goods is _____

If the Collateral is wholly or partly affixed to real estate or installed in or affixed on other goods, Debtor will, on demand of Secured Party furnish the latter with a disclaimer or disclaimers, signed by all persons having an interest in the real estate or other goods, of any interest in the Collateral which is prior to Secured Party's interest. Unless the blank spaces in this paragraph are filled in when this Security Agreement is executed, the Collateral will not be affixed to any real estate or other goods so as to become fixtures on such real estate or accessions to other goods.

(6) The Collateral will be used primarily for:

XX

X H X X K I N T I O O K X I P E R K T I O N S X

(c) Business use, unless Secured Party consents in writing to another use.

(d) And, in addition, is being acquired with the proceeds of the note of Debtor to Secured Party which Secured Party may disburse directly to the Seller of the Collateral. (Strike any inapplicable statement)

(7) The Collateral shall remain in Debtor's possession or control at all times at Debtor's risk of loss and

be kept XX within the confines of the continental United States of America
(No. and Street) (City) (County) (State)

where Secured Party may inspect it at any time. Except for its temporary removal in connection with its ordinary use, Debtor shall not remove the Collateral from the above address without obtaining prior written consent from Secured Party.

(8) The Collateral will not be misused or abused, wasted or allowed to deteriorate, except for the ordinary wear and tear of its intended primary use, and will not be used in violation of any statute or ordinance.

vehicles, including collision coverage. Such insurance policies shall contain such terms, be in a form, for a period and be written by companies satisfactory to Secured Party. Such insurance policies shall also contain a standard mortgagee's endorsement providing for payment of any loss to Secured Party. All policies of insurance shall provide for ten days written minimum cancellation notice to Secured Party. Debtor shall furnish Secured Party with certificates or other evidence satisfactory to Secured Party of compliance with the foregoing insurance provisions. Secured Party may act as attorney for Debtor in obtaining, adjusting, settling and cancelling such insurance and endorsing any drafts drawn by insurers of the Collateral. Secured Party may apply any proceeds of such insurance which may be received by it in payment on account of the obligations secured hereby, whether due or not.

(10) The Collateral will not be sold, transferred or disposed of by Debtor or be subjected to any unpaid charge, including rent and taxes, or to any subsequent interest of a third person created or suffered by Debtor voluntarily or involuntarily, unless Secured Party consents in advance in writing to such sale, transfer, disposition, charge, or subsequent interest.

(11) Debtor will sign and execute alone or with Secured Party any Financing Statement or other document or procure any document, and pay all connected costs, necessary to protect the security interest under this Security Agreement against the rights or interests of third persons.

(12) Debtor will, at its own expense, do, make, procure, execute and deliver all acts, things, writing and assurances as Secured Party may at any time request to protect, assure or enforce its interests, rights and remedies created by, provided in or emanating from this Security Agreement.

(13) Debtor will not lend, rent, lease or otherwise dispose of the Collateral or any interest therein except as authorized in this Security Agreement or in writing by Secured Party, and Debtor shall keep the Collateral, including the proceeds from any disposition thereof, free from unpaid charges, including taxes, and from liens, encumbrances, and security interests other than that of Secured Party.

(14) If Secured Party should at any time be of the opinion that the Collateral is not sufficient or has declined or may decline in value or should Secured Party deem payment of Debtor's obligations to Secured Party to be insecure, then Secured Party may call for additional Collateral satisfactory to Secured Party, and Debtor promises to furnish such additional security forthwith. The call for additional security may be oral or by telegram or by United States mail addressed to the address of Debtor shown at the beginning of this agreement.

Section V. Events of Default.

Debtor shall be in default under this Security Agreement upon the happening of any of the following events or conditions (herein called an "Event of Default"):

(1) Debtor's failure to pay when due any indebtedness secured by this Security Agreement, either principal or interest.

(2) Default by Debtor in the punctual performance of any of the obligations, covenants, terms or provisions contained or referred to in this Security Agreement or in any note secured hereby.

(3) Any warranty, representation, or statement contained in this Security Agreement or made or furnished to Secured Party by or on behalf of Debtor in connection with this Security Agreement or to induce Secured Party to make a loan to Debtor proves to have been false in any respect when made or furnished.

(4) Loss, theft, substantial damage, destruction, sale or encumbrance of or to any of the Collateral, or the making of any levy, seizure or attachment thereof or thereon.

(5) Debtor's death, dissolution, termination of existence, insolvency or business failure; the appointment of a receiver of all or any part of the property of Debtor; an assignment for the benefit of creditors of Debtor; the calling of a meeting of creditors of Debtor; or the commencement of any proceeding under any bankruptcy or insolvency laws by or against Debtor or any guarantor or surety for Debtor.

(6) Any statement of the financial condition of Debtor or of any guarantor, surety or endorser of any liability of Debtor to Secured Party submitted to Secured Party by Debtor or any such guarantor, surety or endorser proves to be false.

(7) The Collateral becomes, in the judgment of Secured Party, unsatisfactory or insufficient in character or value.

(8) Any guarantor, surety or endorser for Debtor defaults in any obligation or liability to Secured Party.

Section VI. Secured Party's Rights and Remedies.

A. Rights Exclusive of Default.

(1) This Security Agreement, Secured Party's rights hereunder or the indebtedness hereby secured may be assigned from time to time, and in any such case the Assignee shall be entitled to all of the rights, privileges and remedies granted in this Security Agreement to Secured Party, and Debtor will assert no claims or defenses he may have against Secured Party against the Assignee, except those granted in this Security Agreement.

(2) Secured Party may enter upon Debtor's premises at any reasonable time to inspect the Collateral and Debtor's books and records pertaining to the Collateral, and Debtor shall assist Secured Party in making any such inspection.

(3) Secured Party may execute, sign, endorse, transfer or deliver in the name of Debtor notes, checks, drafts or other instruments for the payment of money and receipts, certificates of origin, applications for certificates of title or any other documents necessary to evidence, perfect or realize upon the security interest and obligations created by this Security Agreement.

(4) At its option, Secured Party may discharge taxes, liens or security interests or other encumbrances at any time levied or placed on the Collateral, may pay for insurance on the Collateral and may pay for the maintenance and preservation of the Collateral. Debtor agrees to reimburse Secured Party on demand for any payment made, or expense incurred by Secured Party pursuant to the foregoing authorization, plus interest thereon at the highest lawful rate.

B. Rights in Event of Default.

(1) Upon the occurrence of an Event of Default, or if Secured Party deems payment of Debtor's obligations to Secured Party to be insecure, and at any time thereafter, Secured Party may declare all obligations secured hereby immediately due and payable and shall have the rights and remedies of a Secured Party under the Uniform Commercial Code of Texas, including without limitation thereto, the right to sell, lease or otherwise dispose of any or all of the Collateral and the right to take possession of the Collateral, and for that purpose Secured Party may enter upon any premises on which the Collateral or any part thereof may be situated and remove the same therefrom. Secured Party may require Debtor to assemble the Collateral and make it available to Secured Party at a place to be designated by Secured Party which is reasonably convenient to both parties. Unless the Collateral is perishable or threatens to decline speedily in value or is of a type customarily sold on a recognized market, Secured Party will send Debtor reasonable notice of the time and place of any public sale thereof or of the time after which any private sale or other disposition thereof is to be made. The requirement of sending reasonable notice shall be met if such notice is mailed, postage prepaid, to Debtor at the address designated at the beginning of this Security Agreement at least five days before the time of the sale or disposition. Expenses of retaking, holding, preparing for sale, selling or the like shall include Secured Party's reasonable attorneys' fees and legal expenses, plus interest thereon at the highest lawful rate. Debtor shall remain liable for any deficiency.

(2) Secured Party may remedy any default and may waive any default without waiving the default remedied or without waiving any other prior or subsequent default.

(3) The remedies of Secured Party hereunder are cumulative, and the exercise of any one or more of the remedies provided for herein shall not be construed as a waiver of any of the other remedies of Secured Party.

Section VII. Additional Agreements.

(1) The term "Debtor" as used in this instrument shall be construed as singular or plural to correspond with the number of persons executing this instrument as Debtor. The pronouns used in this instrument are in the masculine gender but shall be construed as feminine or neuter as occasion may require. "Secured Party" and "Debtor" as used in this instrument include the heirs, executors or administrators, successors, representatives, receivers, trustees and assigns of those parties.

(2) If more than one person executes this instrument as Debtor, their obligations under this instrument shall be joint and several.

(3) The section headings appearing in this instrument have been inserted for convenience only and shall be given no substantive meaning or significance whatever in construing the terms and provisions of this instrument. Terms used in this instrument which are defined in the Texas Uniform Commercial Code are used with the meanings as therein defined.

(4) The law governing this secured transaction shall be that of the State of Texas in force at the date of this instrument.

(5) Additions to consumer goods are covered only if acquired within ten days from date hereof.

EXECUTED as of the 28th day of January, 1982

SOUTHWESTERN STATES MANAGEMENT CO.

BY

Tarik Kilmall
Vice President

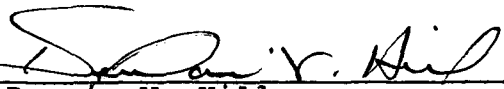
DEBTOR

FIRST CITY BANK OF DALLAS

DALLAS, TEXAS

SECURITY AGREEMENT-EQUIPMENT AND CONSUMER GOODS

FIRST CITY BANK OF DALLAS

By 
Dewain V. Hill
Vice President


The State of Texas

Before me, the undersigned, a Notary Public in and for said State, on this day personally appeared Karl R. Ziebarth, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said SOUTHWESTERN STATES MANAGEMENT CO., a corporation, for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 25th day of January, A.D. 1982.

My Commission expires:

Nov. 30, 1984


Teresa Ladner
Notary Public in and for the
State of Texas

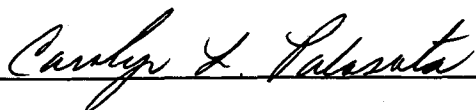
The State of Texas

Before me, the undersigned, a Notary Public in and for said State, on this day personally appeared Dewain V. Hill, known to me to be the person and officer whose name is subscribed to the foregoing instrument and acknowledged to me that the same was the act of the said FIRST CITY BANK OF DALLAS, a corporation, and that he has executed the same as the act of such corporation for the purposes and consideration therein expressed, and in the capacity therein stated.

Given under my hand and seal of office, this the 28th day of January, A.D. 1982.

My Commission expires:

April 27, 1985


Notary Public in and for the
State of Texas